1	question?
2	COMMISSIONER COPPS: I would like to see that
3	that office and that effort as proactive as it
4	could possibly be. I think where you start is you
5	go in and explain what it is you want and see what
6	kind of reaction you get. And if you don't get the
7	kind of reaction that you need then, obviously we
8	want know about that and help. That office is set
9	up, this office for a specific purpose of trying to
10	expand economic opportunity.
11	We've got to make sure that it has the
12	resources that are necessary to do the job, that it
13	has the people that are necessary to do the job,
14	and the people that are committed to it.
15	So, it's an important charge, but it's
16	something that needs to be monitored and watched
17	and I would we tend to that.
18	David, did you want to say something.
L9	MR. HONIG: In the past this office has done
20	two things that they are not doing now, but they
21	could do again. One of them is that they formerly
22	had what was called a Minority Buyers List which
23	was a place that anyone that had a station for sale

could go to know who among minorities wants to buy

and has the ability to buy two or three stations, a

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1	predicable size to the markets, what kind and so
2	forth. So that there be one-stops for anyone who
3	not want to discriminate and wanted to reach out
4	very quickly.
5	Another former use of that office was to
6	provide business develop assistance. If you wanted
7	to get into the business, they have experts there
8	who would help you find sources of capital, to
9	write business plans and get introduced to where
10	the money was. These are examples and there are
11	others of what a good consumer-assistance office
12	would do.
13	COMMISSIONER COPPS: But if it has programs to
14	administer, or it have things like tax certificates
15	or other things that, then it can play in really
16	meaningful roles. So that's part of our challenge
L7	too, right now.
18	CONGRESSMAN CONYERS: Sir, where is the office
19	and who heads it up?
20	MR. HONIG: It's part of the Federal
21	Communication Commissions. It's called the Office
22	of Communications Business Opportunities. And it
23	within the Agency at 12th Street. SW. They do have
24	a page on the FCC's website, it's www.fcc.gov.
25	CONGRESSMAN CONYERS: Oh, this is a Washington

1	Office?
2	MR. HONIG: Yes.
3	CONGRESSMAN CONYERS: Do you have the phone
4	number?
5	MR. HONIG: No, but it's on the Commission's
6	site also, you put in search for names.
7	CONGRESSMAN CONYERS: I don't mean this
8	critically, has it ever done anything?
9	MR. HONIG: When you direct this before the
10	Agency, you want to be nice. Yes.
11	CONGRESSMAN CONYERS: Okay, all right. That's
12	a good answer.
13	Good, who's next?
14	AUDIENCE PARTICIPANT: That would be me.
15	My name is Michael Young. I'm with radio
16	station WDTR. And we're in a very unique position
17	in Detroit.
18	First of all, we are owned and operated by the
19	Detroit Public Schools. You know us very well,
20	don't you, Ms. Moore?
21	I have worked at that radio station for about
22	14 years now, and there has not been a year that
23	I've work there has been pressure on the Detroit
24	Public Schools to sale that radio station.
25	Ms. Moore, in answer to one of your questions,

1	the reason to why there's not 14 percent minority
2	ownership is because I assume that they get a plum
3	offer from one of the large corporations. A lot of
4	the minorities sell their radio stations or their
5	television stations to the highest bidder. And
6	that includes cable. BET is no longer a black-
7	owned cable station as well.
8	But my situation is rather unique in that,
9	first of all, we are solely funded by the Detroit
10	Public Schools. We rely on volunteer producers,
11	and we present the programming that you don't get
12	from the mainstream media. We have Raggae Music,
13,	we have Jazz, I mean real Jazz. We have music from
14	all over the world on our radio station. We have
15	Latin, we have things that you just can't get
16	anywhere including Electronic Music.
17	And I'm going to do this shameless plug right
18	now. I do the only techno show in Detroit that is
19	on when your kids can hear it.
20	CONGRESSMAN CONYERS: Have you done any news
21	coverage?
22	AUDIENCE PARTICIPANT: We have had some limited
23	news coverage and we're getting some more news
24	coverage. As a matter of fact, according to the
25	last poll in the Detroit News, WDTR was named the

No. 2 Urban Radio Station in the city of Detroit 1 2 area. (Applause). 4 Thank you. We work very hard to try to keep 5 that going. 6 We're also one of the few outlets for high 7 school students. We have high school students who 8 are trained. As a matter of fact, Reggie Reg was trained at WDTR. 9 10 One of the things that, out of the two questions that I have are, what happened to the 11 idea that the airwaves were a public trust? 12 13 that supposed to have been something that is not 14 addressed by the FCC nor the Government? 15 And the other idea is that, at one time there was a discussion of low power radio, and there were 16 17 thousands of minority business people who were 18 ready and willing to shell out money for a low 19 power broadcast entities, just like Mr. Watkins', 20 to service the community where they weren't being 21 serviced. And you know, I asked that question. 22 And incidentally, I'm going to do another 23 shameless plug. I'll be speaking at the 24 Historical Museum on, Why You Don't Hear Certain 25 Genres of Music Played on Commercial Radio,

1	specifically Electronic Music.
2	CONGRESSMAN CONYERS: Okay, you're a pretty
3	shameless brother.
4	We got enough questions.
5	Ms. Jackson.
6	MS. JACKSON: I was asked to respond briefly
7	to the idea of what happened to the idea of the
8	airwaves as being a public trust. And I'm happy
9	to, because I think, the way the conversation goes
10	right now, we sort of believe that it's always been
11	this way. It is not always been this way.
12	There was a very hard fought debate in this
13	country over what the purposes of the airwaves,
14	what ends those airwaves would be put to. We had a
15	debate in which a large number of people believed
16	that the airwaves should be primarily educational,
17	that they oughtn't to be about making a profit to
18	begin with, that they ought to be about serving
19	democracy and the public interest.
20	This is a debate that went on throughout the
21	20s and the 30s that, you know, people were engaged
22	in. We didn't wake up one day and find that this
23	was the way things were.
24	So, there's a book in fact, if folks are
25	really interested by Robert McChezney, (ph.) and

1 it's called something like Mass Media in 2 Telecommunications, and a very boring subtitle. 3 But, it's about the history of this fight and when 4 was the moment it was lost, when was the moment. 5 Basically we had a fight of educational verses 6 commercial commitment and the commercial worldview 7 won. But that doesn't mean it has to stay that way 8 always. That doesn't mean it has to always be the way that it is right now. And that's why part of 9 10 what we're discussing today is not just a math 11 problem, it's a problem about values, it's a 12 question about ideas. 13 And so, I would resay what I said earlier, 14 which is that we don't need to keep translating the 15 value of diversity into something else in order to make it justifiable. It is the value in itself. 16 17 And again, we're talking about democratic 18 participation. David Honig talked earlier about 19 these companies need 30 to 40 percent profit in 20 five years and you can't own just one station, you 21 have to keep selling and buying more, and more, and 22 more of them. 23 Well, if outgrowing your roots and selling to 24 the highest bidder is what succeeding means in the media industry, then part of what we have to do is 25

1 to redefine success. So, I think that is going to 2 be actually crucial. 3 I don't want to leave without saying, though, 4 that the FCC always has public comment periods and 5 they're farces, the public doesn't even know 6 they're happening. The reason we know about this 7 Commissioner Michael Copps, the reason that we know 8 about this process, and the reason that we're in 9 Detroit talking about it and the reason the public 10 has had a chance to weigh on it, at all, has been 11 the singular interest that Commissioner Copps and 12 also, Adelstein, have taken in actually turning 13 what is not even being - - this is not polemic this 14 is what's happening. These processes were 15 farcical, they did not involve the public at all. 16 So, however this one comes out, the very fact 17 that we've had more public involvements than ever 18 in this process is going to set us up better for 19 the next fight. It's a long fight. 20 CONGRESSMAN CONYERS: Thank you. 21 MR. DICOLA: I just wanted to respond to Ms. 22 Janine's question about low power radio, my 23 colleagues, Michael Gracey and Jennifer Tuney 24 (ph.), at the Future Music Coalition, that's how 25 they got into this the spear of working in music

1 and media activism. And the fact is, we lost low 2 power radio, in a lot of ways. That was supposed 3 to be the deal. We were going to trade deregulation and consolidation for low power radio. 4 5 And then NPR and the National Association of Broadcaster beat us. They won a much - - you know, 6 7 Chairman Kinnard (ph.) of the FCC worked very hard to try and get those low powered licenses expanded 8 9 and it just didn't happen. We lost the battle. 10 And Senator McCain, and Senator Figal, and 11 others, there are a few people who have been very sympathetic to this issue, but not enough. And so, 12 what's happened is that the number of stations, the 13 pure number of outlets - - I'm sorry, Janine, this 14 isn't about that. Just for a second - - there are 15 only 13,000 licenses available and that number has 16 17 been increasing in a much slower rate ever since deregulation. So, in terms of the full power 18 19 stations, we've got less of them. And then we didn't expand the number of low power licenses. 20 21 And so, there's just less chance, less 22 opportunity for diversity, less opportunity for more viewpoint. And that's just the facts of the 23 24 matter.

No one knows why. And I asked Commissioner

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1	Abelstein why
2	MR. GRAY: Let me add one point to that, part
3	of the reason, as you mentioned, the previous
4	Commissioner Kinnard fought very hard to get that
5	implemented. But, we had a change of
6	administration and the new administration shifted
7	the balance of power. And so, the efforts to have
8	that implemented have been slow for businesses.
9	MR. DICOLA: Mr. Gray is absolutely right.
10	That's absolutely right.
11	So, no one can explain why only a hundred new
12	full powered radio stations area licensed every
13	year now, when it used to be two hundred a year, in
14	the mid 80s and the early 90s. Now, in the late
15	90s and early 2000 there's only a hundred a year,
16	only a hundred new licenses. And why that is, and
17	why there aren't more low power licenses, I don't
18	know.
19	And people on the left and the right would
20	support more stations that benefits everyone.
21	MR. GRAY: I see lower power as a future
22	opportunity. The fact that we've got low power FM
23	at all is because of grants through participation
24	in the ruling. It really wouldn't have happened
25	without that. However, the service have been at

least temporarily emasculated by the fact that the
NAB and others convinced the powerful members of
Congress that there might be too much interference
for what's called, third adjacent. Those of you
who are broadcasters know that means that, somehow
if you're operating a little tiny station like
95.1, you might somehow being interfering with a
station 60 miles away on 95.7. That's third
adjacent. Actually broadcasters, professional
broadcasters, almost universally realize that level
of interference is imperceptible to a human's or
dog's ears.
But, it's all subjective what these standards

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But, it's all subjective what these standards are for interference that was used to put a freeze on what would have been mostly for big city low power FM allowance. This is a fight that can still be won however, because what's happened is, it's still being studied by the engineers, they are doing a report. Ultimately, the third adjacent pretense will go away when we get their receiver technology, which we're getting. I think in two to three years that will go away and we'll see an explosion of lower power FM.

AUDIENCE PARTICIPANT: Could I have a quick one question.

1	PROFESSOR ARNOLD: Excuse me, sir.
2	AUDIENCE PARTICIPANT: This is just in
3	response.
4	If the digital technology is coming from
5	broadcast radio, then you won't have that problem
6	of that third adjacent because the digital signal,
7	digital signals will not interfere.
8	MR. GRAY: They won't interfere as much.
9	AUDIENCE PARTICIPANT: A lot less. This
10	doesn't completely solve the digital problem, but
11	that about a year away.
12	AUDIENCE PARTICIPANT: My name is Michael
13	Shumpert (ph.) and I salute Congressman Conyers for
14	convening this wonderful idea.
15	But, for those of us who are against the
16	consolidation, time is running out and the clock is
17	ticking. And I think we should focus on what we
18	can do in the next 10 days to reverse the thinking
19	of the FCC.
20	Commissioner Copps mentioned that there was an
21	entire state that shared that opinion, that
22	consolidation was not a good thing, but he didn't
23	mention the state. I think it might have been
24	helpful if you would disclose the state.
25	CONGRESSMAN CONYERS: Vermont.

1	COMMISSIONER COPPS: The great State of
2	Vermont.
3	AUDIENCE PARTICIPANT: So perhaps, there are
4	some ideas within this gathering where we can kind
5	of form a coalition with the great State of
6	Vermont, and others throughout the United States
7	who share our feelings and mobilize and let our
8	opinions and voices be heard.
9	COMMISSIONER COPPS: in Philadelphia.
10	CONGRESSMAN CONYERS: How can we get the list
11	Commissioner?
12	Who's got a list of all those City Councils
13	and the State?
14	COMMISSIONER COPPS: I can get that.
15	CONGRESSMAN CONYERS: We just want the names
16	of all the City Councils, organizations and the
17	State, so that we can contact them right away and
18	began to study and work with them and build on the
19	work they've already started.
20	AUDIENCE PARTICIPANT: For this to happen on
21	this level, there's only two distinguished ways
22	that a pile of iron could be thrown in front of the
23	train, so to speak. And one, is that a
24	telecommunication's commissions of the city and
25	counties have to be contacted in order to make

1	actions because they set the authority for their
2	districts before the FCC.
3	The other is, you know, I had to say this, and
4	I don't want to be one who throw stones, but I'm
5	just going to speak the truth. We have three
6	powerful media representatives in this room.
7	MS. GILCHRIST: We've done the story.
8	AUDIENCE PARTICIPANT: Doing this no
9	disrespect, but doing the story and when I turn my
10	radio dial I never hear anything about the hearing,
11	I never hear anything about anything from Radio
12	One, from Clear Channel, or anybody for that
13	matter.
14	And you know what, these are the stations that
15	are benefiting greatly in the black community.
16	MS. GILCHRIST: But why would Clear Channel
17	who's advocating that the guidelines move up, they
18	want to relax.
19	AUDIENCE PARTICIPANT: Well, of course.
20	MS. GILCHRIST: So, the bigger groups want the
21	relaxation. So, why would those radio stations be
22	motivated to do the story?
23	AUDIENCE PARTICIPANT: Exactly. You make my
24	point exactly without me charging you.
25	It's because they have the interest at making

1	sure they protect their financial interest in
2	keeping the capital from the African American
3	community at large. They control listen, FOX,
4	COMCAST, Clear Channel
5	MS. GILCHRIST: Right, GE, FOX, ABC, DISNEY,
6	Viacom and
7	AUDIENCE PARTICIPANT: No, no, no. I'm going
8	to with it as radio and then go to television.
9	Radio is Clear Channel, Radio One controls the
10	African American market for which both of them are
11	two of the largest Payola companies there is in the
12	country. And that's public information, too.
13	Mr. Chavis-Muhammad represents one of the most
14	powerful, most prolific, young organizations in the
15	United States right now at this time. And if
16	there's anyone that can railroad a boycott to stop
17	this action, it is that organization. Al Sharpton
18	and no one else can do that. That's the
19	organization that can do it.
20	I've been lobby in Washington for the past
21	five weeks. And I'm telling every pocket is
22	padded.
23	CONGRESSMAN CONYERS: Could I ask brother Earl
24	Jones if he would like to take that comment.
25	MR. JONES: I thought what we would do here

1	was to keep this on a professional basis. And I
2	wouldn't respond to accusations that I can't prove
3	or disprove, and will not try to at this point.
4	That's fine and let's keep it there. But,
5	from my standpoint, I think, from WJLB's
6	standpoint, anything I can do for my community, I
7	do it. I think my record stands for itself.
8	And I'll rest on that.
9	CONGRESSMAN CONYERS: Well, before you rest on
10	that, Brother Jones, would you explain your
11	corporation's position on this lifting of the caps?
12	MR. JONES: As to my knowledge, my corporation
13	is acquiring stations, they've acquired stations,
14	they have helped others to acquire stations,
15	including Radio One. Not from a standpoint of just
16	selling stations, but also to help finance
17	stations.
18	MR. BURROUGHS: After it has reached it's cap?
19	MR. JONES: I just saying I would not be
20	able to comment on that.
21	MR. BURROUGHS: After it has reached
22	MR. JONES: I don't know.
23	MR. BURROUGHS: After it has reached it's cap,
24	and they are no longer barred in so many states,
25	the market will reach 35 percent, correct?

1	MR. JONES: Yeah, that's the record. Whatever
2	the record states.
3	MR. : The system of Pay for Play in the
4	music industry, in the broadcast industry has been
5	in place for a number of years.
6	Over the past few years, what large broadcast
7	corporations like Clear Channel and Infinity have
8	attempted to do to eliminate or to reduce the
9	illegal transactions that there has been a great
10	deal of speculation that has occurred over the last
11	few years. And in fact, there has been
12	investigations held during the 70s the 80s and the
13	early 90s. What they've attempted to do is to put
14	a instrument or a system in place where record
15	companies pay for some liberal consideration
16	directly to the corporation.
17	Now, some people in government, Senator Figal,
18	for example, have been somewhat opposed to that and
19	have lobbied that they drop that system in response
20	to the many accusations.
21	I'll be honest with you, in my opinion,
22	because I've been in this business, I've spent,
23	again, the bulk of my career in the broadcast
24	industry, the dismantling or the elimination of
25	that system is really not good. Because what

1	happens, if you eliminate that system, you revert
2	back to the old system that was in place and it's
3	difficult, if not impossible to control it, given
4	the number of radio stations that are licensed
5	across the country. You almost have to have a
6	police officer or someone, a watchdog unit in each
7	and every radio station in America to control it.
8	It's difficult to control a system like.
9	CONGRESSMAN CONYERS: Mr. Gray, could you tell
10	me what the old system, that was worst than the new
11	system is?
12	MR. GRAY: Well, sir, the old system is the
13	system it's a simple system. It's financial
14	transactions that happen between record companies
15	and broadcast people that control the playlist of
16	broadcast stations. That's essentially it. There
17	are financial, meaning dollars transactions; there
18	are monetary, other monetary transactions that
19	transaction. And it has happened. It happens on a
20	daily basis.
21	The system has been in place across all
22	formats.
23	CONGRESSMAN CONYERS: The way you describe it,
24	Brother Gray, both systems sound alike.
25	MR. GRAY: Well, the difference

1	Congressman Conyers, they are alike. The primary
2	difference between the two is that you take it out
3	of the hands of the program director and the music
4	director and you put it in the hands of the general
5	manager or the station operators. And the
6	financial situations comes to the company. It no
7	longer comes to the individuals who control the
8	playlist a daily or long-term basis.
9	CONGRESSMAN CONYERS: Is that good?
10	MR. GRAY: It's better. The reason I say it's
11	better is because there's some level of integrity
12	at the general manager level. When you go below
13	that then it's pretty bad.
14	AUDIENCE PARTICIATION: If you'll compare all
15	the sales, at best.
16	MR. JONES: Less than one-fifth of one percent
17	of Clear Channel's income is derived from
18	independent promoters.
19	Clear Channel has a zero tolerance policy
20	about pay for play. All radio program directors,
21	music directors and on-air talent regularly sign
22	sworn affidavits on this issue.
23	The recording industry invented the
24	independent promotions system and independent
25	promoters are on their payroll. If the record

companies don't like the system, they can change 1 it. 2 Independent promoters who are under contract 3 with Clear Channel do not pay Clear Channel to get 4 songs played. They receive information only and 5 advance playlist and an audience research. 6 Clear Channel's playlists are based solely on 7 audience preferences. 8 Clear Channel spends millions of dollars each 9 year, and I can vouch for that in my budget, to 10 form extensive audience research to determine what 11 people want to hear and what gets played. 12 The independent promoter system affects only 13 about 250 or 20 percent of Clear Channel's 1.4 The remaining stations are news talk, 15 stations. oldies and other formats. What this is saying, my 16 position, as Mr. Gray has so eloquently said, is 17 here to make sure there's no Pay to Play. And 18 that's my job. My license depends on it. 19 CONGRESSMAN CONYERS: Well, that's great news. 20 That should be the - - I could put out a news 21 22 release then pointing out that you guys, unlike most of them, aren't dealing in this and that you 23 just read me the rules that make sure that conduct 24 is prohibited. 25

1	And, boy, will the promoters be happy to find
2	out that they can change this system if they wanted
3	to.
4	MR. HONIG: I look at Payola as an example of
5	what the FCC can do when it put its mind to it to
6	stop this race to the bottom.
7	I'm old enough to remember that back in the
8	1960s and the 1970s the way you got a record played
9	was basically, you would go in, you would sit with
10	the music director or the program director, or
11	announcer, bring in some cash in an envelop, bring
12	some weed, have a date with some lady and that
13	would get your record played and no one had to
14	know. It was all on the
15	AUDIENCE PARTICIPATION: down low.
16	MR. HONIG: The FCC cleaned that up in the
17	1980s.
18	And I can tell you categorically, we have not
19	received, since 1990, any complaint of illegal or
20	unethical behavior by way of Payola. It's over.
21	That's an achievement.
22	MR. GRAY: Hold on. What has happened, David,
23	and I don't want to disrespect your opinion, but
24	what has happened is that some of these people have
25	become smarter in dealing with the system.

and the second s

1	It hasn't gone away. The system is in place.
2	And again, as Mr. Jones mentioned a few minutes
3	ago, the people who have the ability to control it
4	are the record companies, if they stop funneling
5	millions and millions of dollars into the system to
6	the affect the charts on an annual basis, it all
7	goes away.
8	But the reason that you haven't had a major
9	Payola investigation in the last few years is that
10	the people have just gotten a little bit smarter.
11	Whereas, they don't walk in with cash any longer,
12	now sometimes they use American Express gift
13	certificates. Sometimes the transactions are
14	transported using Federal Express overnight
15	packages, but they just got smarter.
16	And I can show you homes in America, million
17	dollar homes that were built by record companies.
18	That's you know, it's a smarter way of using
19	the system, but the system is still in place.
20	(Applause).
21	MR. HONIG: I'll stand corrected, then. I did
22	not know that. We all learned something today and
23	it's a disappointing surprise to hear that this is
24	true.

And anyone that would like to fill me in more

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on this, I did not know and would like to learn, please tell me later.

But there's one other point the gentleman made that I think he's right. First, the breach of the usual, so-called, Church and State, between publishers and editors in the media, such that the editorial side is supposed to be separate from the journalism side. The interest of the publisher, in this case, the broadcaster, are supposed to be ignored by the news department.

Apparently, given the enormous value of this proceeding as a news event, that has been breached horribly. And that is really not a good commentary in the state of American journalism.

The gentleman is also correct in saying that there is something that we can do. But it's important to pick the right tactic. A boycott works well if it's against a gas station, a food store, but it does not work against media. Because as soon as you tell people don't watch this, that's the best way to get them to watch it.

Cigarette companies know this very well.

Kids, cigarette smoking is for grown-ups. They
know what they're doing. That's a way to get kids
to smoke. That's why a boycott almost never can

work against intellectual property, against media, 1 2 because it defies the nature of human curiosity. 3 There is a tactic that can't work. Let's plan ahead. 4 CONGRESSMAN CONYERS: To Dr. Chavis. 5 MR. CHAVIS: Well, let me just rain on this 6 7 just a little bit. You know, we need radio control because if we act off of information that may have 8 some truth mixed with falsehood. You know, it's 9 hard to distinguish between what is false and what 10 11 is true. Now, from the Hip-Hop Summit Action Network, I 12 appreciate what a brother says, we do represent 13 millions of young people. But how do we reach 14 It's not because we are paying our money to 15 them? young people in the inner city. 16 What record companies are doing now, I can't 17 speak about what they did in the past, but now - -18 well, let me see. I can talk about what Def Jam 19 20 Records is doing now. They're not paying programmers to play Def Jam 21 music. What we're spending money on now is, let's 22 put our ear closer to the inner city to determine 23 what is heart. And then there's some betting going 24

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on between these records whose going to sign up the

1 new hot artist?

So, there's more being put into artist development. People knew that Fifty Cents was going to be a hit for several years, before anybody knew who Fifty Cents' name was, because he was being mentored. And it's interesting that he signed with Eminem's label.

If anybody thinks that somebody outside of
Detroit made Eminem who Eminem is, you don't have
your ear close to the ground. And the reason why
he can fill up a stadium, sell out Ford Stadium in
a half hour, is because the reality of what a lot
of these young urban artist speak about is reality
that a lot of young people feel. You not only hear
it, but you have to feel it.

And what determines a hit song now, is not so much a decision that a programmer makes or a DJ makes, that decision is made in the street by the how the song feels, not just how you list it. I don't know if you understand what I'm saying.

We do have an interest in this because radio impacts the - - and television impacts all media. I think it's unfair just to focus on radio as if it's an isolated phenomenon. We're talking about communications. We're talking about mass media.